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Federal Communications Commission 445 12th St., S.W. Washington, D.C. 20554

September 6, 2016

FY 2016 REGULATORY FEES

SUBMARINE CABLE SYSTEMS

Each year, the Commission is required to collect regulatory fees. Licensees and regulatees are assessed fees as set forth in *Assessment and Collection of Regulatory Fees for Fiscal Year 2016, Report and Order*, (released September 2, 2016) ("FY 2016 Regulatory Fees, *Report and Order*"). The Commission also publishes industry-specific guidance in *Who Owes Fees & What Is My FY 2016 Fee*, which can be found on the Commission website at http://www.fcc.gov/regfees.

The Commission's automated filing and payment system ("Fee Filer") is available for <u>filing</u> and <u>viewing</u> of FY 2016 regulatory fees. While FY 2016 regulatory fees will not become effective until the rulemaking is published in the *Federal Register*, regulatees at their own discretion may submit payments at any time before the effective due date of FY 2016 regulatory fees. **Regulatory fee payments MUST BE RECEIVED** ¹ by the Commission no later than 11:59 PM, Eastern Daylight Time, on September 27, 2016.

In the *Submarine Cable Fee Order*, ² the Commission changed its methodology for calculating regulatory fees for international submarine cable operators. This change in methodology became effective on July 15, 2009. ³ Hence, beginning with Fiscal Year 2009, the Commission calculates regulatory fees for international submarine cable operators licensed and operating on December 31 of the prior year on a per cable landing license basis, with a higher fee for larger submarine cable systems and lower fees for smaller systems. ⁴ This methodology does not distinguish between submarine cables operated on a common carrier basis and those operated on a non-common basis.

To assist submarine cable operators in making their FY 2016 regulatory fee payment, the Commission has compiled from public documents a listing of the international submarine cables licensed and

¹ The Commission has instituted a mandatory electronic payment policy, which means that licensees will not be able to make regulatory fee payments by check, money order, or cashier's check. Only credit card, ACH, and wire transfer payments will be accepted. Please make sure that your electronic fee payment is made and the transaction is complete by the due date of FY 2016 regulatory fees.

² Assessment and Collection of Regulatory Fees for Fiscal Year 2008, Second Report and Order, 24 FCC Rcd 4208, ¶ 1 (2009) ("Submarine Cable Fee Order").

³ Assessment and Collection of Regulatory Fees for Fiscal Year 2009, Report and Order, FCC 09-62, (rel. July 31, 2009) at ¶ 9.

⁴ See Submarine Cable Fee Order, 24 FCC Rcd at 4214-15, ¶¶ 13-18; see also 47 C.F.R. § 1.1156(c).

operational on December 31, 2015 and the licensees associated with each cable.⁵ The attached table identifies the submarine cable, licensee(s), the amount of fee based on the cable system's capacity, and other information relevant to each cable.

The Commission will only accept a single payment for the full regulatory fee obligation for each international submarine cable license. Therefore, it is very important for submarine cables with multiple licensees that the licensees determine amongst themselves the portion of the fee that each owes and how they will make a single regulatory fee payment. From the Commission's perspective, each licensee of a submarine cable is equally responsible for the payment of regulatory fees. In the event of a non payment or underpayment, the Commission will hold each and every licensee equally responsible for the regulatory fee obligation.

MANDATORY USE OF FEE FILER

The use of the online Fee Filer system for filing regulatory fees has not changed since the process was first initiated in FY 2009: licensees and regulatees must first enter the Commission's Fee Filer system with a valid FRN and password, and follow the online prompts to review their data and submit an electronic fee payment. Use of the online Fee Filer system is mandatory, and payments in the form of checks, money orders, and cashier's checks will not be accepted. In making a wire transfer, please fax the "Wire Transfer Instructions" from Fee Filer to the Federal Communications Commission at (202) 418-2843 at least one hour before initiating the wire transfer (but on the same business day) so as not to delay crediting their account. These Wire Transfer Instructions contain valuable information (e.g. FRN, Voucher Number, Payer Name, and the Amount of the Wire) that will help to post the payment more quickly, and avoid costly delays that could result in penalties and interest for missing the payment due date. Please note that most wire transfers initiated after 6:00 p.m. (EDT) will be credited the next business day.

LIMITATIONS ON CREDIT CARD TRANSACTIONS

In accordance with U.S. Treasury Announcement No. A-2014-04 (July 2014), the amount that can be charged on a credit card for transactions with federal agencies has been reduced to \$24,999.99. Previously, the credit card limit was \$49,999.99. This lower transaction amount is effective June 1, 2015. Transactions greater than \$24,999.99 will be rejected. This limit applies to single payments or bundled payments of more than one bill. Multiple transactions to a single agency in one day may be aggregated and treated as a single transaction subject to the \$24,999.99 limit. Customers who wish to pay an amount greater than \$24,999.99 should consider available electronic alternatives such as Visa or MasterCard debit cards, ACH debits from a bank account, and wire transfers. Each of these payment options is available after filing regulatory fee

⁵ See 2009 Regulatory Fee Order at ¶ 29 ("the Commission in FY 2009 will publish a Public Notice that identifies the license holders for each submarine cable system.")

⁶ See id. 24 FCC Rcd at 4212, 4215, ¶¶ 6, 17

⁷ Payors should note that this change will mean that entities that have previously paid both regulatory fees and application fees at the same time by paper check will no longer be able to do so because regulatory fees payments by paper check will no longer be accepted.

⁸ Customers who owe an amount on a bill, debt, or other obligation due to the federal government are prohibited from splitting the total amount due into multiple payments. Splitting an amount owed into several payment transactions violates the credit card network and Fiscal Service rules. An amount owed that exceeds the Fiscal Service maximum dollar amount, \$24,999.99, may not be split into two or more payment transactions in the same day by using one or multiple cards. Also, an amount owed that exceeds the Fiscal Service maximum dollar amount may not be split into two or more transactions over multiple days by using one or more cards.

information in Fee Filer. Further details will be provided regarding payment methods and procedures at the time of FY 2016 regulatory fee collection in various Fact Sheets, available at https://www.fcc.gov/regfees.

Regulatory fee payments that exceed the U.S. Treasury limit and are rejected by Treasury, causing a payment not to meet the required payment deadline, will be subject to interest, fees, and a 25% late payment penalty.

DE MINIMIS REGULATORY FEE LEVEL

Regulatees whose total FY 2016 annual regulatory fee liability, including all categories of fees for which payment is due, is \$500 or less are exempt from payment of FY 2016 regulatory fees. The *de minimis* threshold applies only to filers of annual regulatory fees (not regulatory fees paid through multi-year filings), and it is not a permanent exemption. Rather, each regulate will need to reevaluate their total fee liability each fiscal year to determine whether they meet the *de minimis* exemption. Regulatees are responsible for calculating their own total fee obligation to determine whether they qualify for this *de minimis* exemption. The Commission reserves the right to request documentation that supports a *de minimis* exemption claim.

To make a payment, please log into Fee Filer at (www.fcc.gov/reefiler), or click on the link (http://www.fcc.gov/regfees). For additional information, please refer to – "Regulatory Fees Fact Sheet – What You Owe – International and Satellite Services Licensees for FY 2016".